



SIXTH EDITION

DEVELOPMENT and SOCIAL CHANGE

A GLOBAL PERSPECTIVE

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Development

Theory and Reality

Development, today, is increasingly about how we survive the future, rather than how we improve on the past. While ideas of human progress, development stages, or visions of improvement will still guide social theory and policy making, how we manage “energy descent” and adapt to serious ecological deficits and climatic disruption will define our existence. How will this shift change our understanding and practice of development?

A central issue is how effectively policy makers (in states and development agencies) recognize the need for wholesale public coordination of planning to minimize and adapt to inevitable climatic changes. Plenty of new ideas, practices, and policies are surfacing, but more as a cacophony rather than a strategic endeavor to reverse our **ecological footprint**. (See Glossary/Index for bolded definitions.) While the Chinese government is strategic in promoting green technology, China—the major offshore assembly zone for global commodities—is now the leading source of global greenhouse gas emissions. China averages \$150 billion worth of environmental damage annually, due to its breakneck economic growth.¹ Climate summits have so far only confirmed the intransigence of governments held hostage to domestic growth policies—whether these governments are from the **global North** or the **global South**. This division, and which nation belongs to which “bloc”—and therefore is most responsible for emissions—only distracts authorities from substantive action. Another crisis also confronts twenty-first century nation-states, namely, the global crisis of unemployment and debt, which compounds the challenges of development futures.

Not only are there increasingly evident biophysical limits to development as we know it, but development is now compromised by mushrooming public austerity policies across the nation-state system. Such policies, tested in the global South from the 1980s, are now affecting the societies of the global North. All over, the development ideal of a social contract between governments and citizens is crumbling as hard-won social rights and entitlements erode—this is evident in contemporary European and U.S. political and social disorder as citizens protest cut-backs, as well as in the Middle Eastern uprisings against repressive regimes and joblessness (see Chapter 8). Arguably, “development” is not only in crisis but is at a significant turning point in its short history as a master concept of (Western-based) social science and cultural life.

This book is a guide to the rise and transformation of development as a vector of global social change over the last two centuries. From one (long-term) angle, it appears increasingly comet-like: a brilliant lodestar for the world, but perhaps destined to burn out as its energy-intensive foundations meet their limits. From another (immediate) angle, the energy dilemma forces renewed critical thinking about how humans might live sustainably on the planet. These perspectives are the subject of Chapter 9, “The Sustainability Project.” Here we are concerned with the source and maturation of “development” as a master concept.

Development: History and Politics

Development had its origins in the colonial era, as Europeans began constructing systems of government—domestic and imperial—and concentrating within the emerging national states an industrial system fueled by the products of colonial labor regimes. As European political economies matured within this broader context, “development” emerged as the definitive concept. Global in its origins, the meaning of development nevertheless focused on European accomplishments. While such accomplishments came with massive social—and often violent—upheaval, they have been represented in theory as a set of idealized outcomes to be emulated by other countries. Accordingly, the “end” of development justifies the means of getting there, however disruptive socially and ecologically the process may be.

At this point it is helpful to work with Michael Cowan and Robert Shenton’s distinction between development as an imminent and/or universal social *process*, and development as a political *intervention*. In the nineteenth century, development was understood *philosophically* as the

improvement of humankind (in the form of knowledge-building, technological change, wealth accumulation). European political elites interpreted development *practically*, as a way to socially engineer emerging national societies. Elites formulated government policy to manage the social transformations attending the rise of capitalism and industrial technologies, so development was identified with *both* industrialization *and* the regulation of its disruptive social impacts. These impacts began with the displacement of rural populations by land enclosures for cash cropping, a process that generated “undesirables,” such as menacing paupers, restless proletarians, and unhealthy factory towns.² Development, then, meant balancing technological change and class formation with social intervention, that is, managing the citizen-subjects who experienced wrenching social transformations. At the same time, such transformations became the catalyst of competing political visions—liberal, socialist, conservative—of the ideal society.

In Europe’s colonies, the inhabitants appeared undeveloped—by self-defined European standards. In this context, development (as “evolution”) ideologically justified imperial intervention, whether to plunder or civilize. Either way, the social engineering impulse framed the European colonization of the non-European world. Not only did the extraction of colonial resources facilitate European industrialization, but European colonial administrators managed subject populations as they experienced their own version of wrenching social transformations. Thus development assumed an additional, normative meaning, namely, the “white man’s burden”—the title of a poem by English poet Rudyard Kipling—imparting honor to an apparently noble task. The implied racism remains a part of the normative understanding (and world consequence) of development.

Under these circumstances, development extended modern social engineering to colonies incorporated into the European orbit. Subject populations were exposed to a variety of new disciplines, including forced labor schemes, schooling, and segregation in native quarters. Forms of colonial subordination differed across time and space, but the overriding object was either to adapt or marginalize colonial subjects to the European presence. In this sense, development was a *power relationship*. For example, British colonialism introduced the English factory-model “Lancaster school” to the (ancient) city of Cairo in 1843 to educate Cairo’s emerging civil service. Egyptian students learned the new disciplines necessary to a developing society that was busily displacing peasant culture with plantations of cotton for export to English textile mills and managing an army of migrant labor building an infrastructure of roads, canals, railways, telegraphs, and ports.³ Through the colonial relation, industrialism was transforming both English and Egyptian society, producing new forms of social discipline among

laboring populations and middle-class citizen-subjects. And, while industrialism produced new class inequalities within each society, colonialism racialized international inequality. In other words, development introduced new class and racial hierarchies within and across societies.

While development informed modern narratives in the age of industrialism and empire, it only became formalized as a *project* in the mid-twentieth century. This period was the high tide of decolonization, as the Western—British, Italian, German, French, Dutch, Portuguese, and Belgian—and Japanese empires collapsed, and when a standardizing concept, “development,” as an emancipatory promise, became the new global ontology (a way of seeing/ordering the world).

In 1945, the United Nations, with the intent of expanding membership as colonies gained independence as sovereign states, institutionalized the System of National Accounts. A universal quantifiable measure of development, the Gross National Product (GNP), was born. At this point, the colonial rule of *subjects* under the guise of civilizing inferior races morphed into the **development project**, based on the ideal of self-governing states composed of *citizens* united by the ideology of nationalism. By the twentieth century’s end, the global development project focused on market governance of and by self-maximizing *consumers*.

Development Theory

Specifying development as consumption privileges the market as the vehicle of social change. The underlying philosophy—deriving from a popular (but limiting) interpretation of Adam Smith’s *The Wealth of Nations*⁴ and formalized in neoclassical economic theory—is that markets maximize individual preferences and allocate resources efficiently. Whether this theory reflects reality or not, it is a deeply held belief that is now institutionalized in much development policy across the world. Why is this the case?

Naturalizing Development

There are two ways to answer this question. First, a belief in markets is a central tenet of liberal Western philosophy. Hungarian philosopher Karl Polanyi noted that modern liberalism rests on a belief in a natural propensity for self-gain, which translates in economic theory as the market principle—realized as consumer preference.⁵ Self-gain, expressed through the market, drives the aspiration for improvement, aggregated as development.

Second, as Polanyi noted, to naturalize (competitive) market behavior as a transhistorical attribute discounts other human attributes, or values—such as cooperation, redistribution, and reciprocity. For Polanyi, and other classical social theorists, economic individualism is quite novel in the history of human societies and specific to nineteenth-century European developments, rather than being an innate human characteristic.

While these other values are clearly evident today in human interactions, the aspiration for improvement, normalized now as a private motivation, informs development. That is, well-being and self-improvement are squarely centered on access to goods *and* services through the marketplace. Initial (dating from the mid-twentieth century) formulations of development paired private consumption with public provisions—infrastructure, education, health, water supply, commons, clean air, and so forth. The mid-twentieth century was the heyday of the welfare, or development, state. But from the last quarter of the twentieth century, increasingly all provisioning has been subjected to **privatization**, as the market becomes the medium through which we consume and develop. To this end, development has become synonymous with consumption.

This outcome was prefigured in one of the most influential theories of development emerging in the post-World War II world. In 1960, economist Walt Rostow published *The Stages of Economic Growth: A Non-Communist Manifesto*,⁶ outlining a development theory that celebrates the Western model of free enterprise—in contrast to a state-planned economy. The “stages” traversed a linear sequence, beginning with “Traditional Society” (agrarian, limited productivity) and moving through “Preconditions for Take-off” (state formation, education, science, banking, profit-systematization), “Take-off” (normalization of growth, with investment rates promoting the expanded reproduction of industry), and “Maturity” (the second industrial revolution that moved from textiles and iron to machine-tools, chemicals, and electrical equipment)—and finally to the “Age of High Mass-Consumption,” which is characterized by the movement from basic to durable goods, urbanization, and the rising level of white-collar versus blue-collar work.

This evolutionary sequence, distilled from the U.S. experience, represents the consumer society as the terminal stage of a complex historical process. Rostow also held out the U.S. model as the goal to which other (i.e., developing) societies should aspire, which partly explains Rostow’s subtitle—expressing the Cold War rivalry between the United States and the Soviet Union at the time. The theorization of development as a series of evolutionary stages naturalizes the process, whether it occurs on a national (development era) or an international (globalization era) stage. Mass consumption

was a final goal to be realized through membership of the “free world” at the time, and by implication, U.S. assistance would be available to spur the **Third World** of post-colonial, developing nations into progress along the stages.

However, note that Rostow’s “development blueprint” depended on a political context. That is, markets were not so natural that they did not require creating, securing, and protecting (by a **development state**). Development was neither spontaneous or inevitable, rather it required an institutional complex on a world scale (a **development project**) to nurture it along, complete with trade, monetary, and investment rules, aid regimes, and a military umbrella—all of which were supplied through post-war multilateral institutions and bilateral arrangements led by the United States. In this way, theory came to imitate reality, which in turn is shaped by theory—informing public discourse and translating into policy implementation.

Global Context

Reality, of course, is more complicated than it first appears. Rostow’s prescriptions artificially separated societies from one another. While this may have expressed the idealism of mid-twentieth century nationalism, to assign stages of growth to societies without accounting for their unequal access to offshore resources discounted a fundamental historic relationship between world regions that have been shaped by colonial and investment patterns. Not only did European powers once depend on their colonies for resources and markets, these patterns continued in the post-colonial era. Because of continuing **First World** dependence on raw materials from the **Third World**, some societies were more equal than others in their capacity to traverse Rostow’s stages, as we shall see in Chapter 4.

It was this reality that stimulated **dependency analysis** and **world-system analysis**. The concept of “dependency” emerged in the mid-twentieth century from several quarters—an empirical observation by economist Hans Singer that “peripheral” countries were exporting more and more natural resources to pay for increasingly expensive manufactured imports; an argument by Singer’s collaborator, Argentinean economist Raúl Prebisch, that Latin American states should therefore industrialize behind protective tariffs on manufactured imports; and earlier Marxist theories of exploitative imperialist relations between the European and the non-European world.⁷ “Dependency” referred to the unequal economic relations between metropolitan societies and non-European peripheries—a factor accounting for the development of the former at the expense of the **underdevelopment** of the latter. As economist Andre Gunder Frank put it:

[H]istorical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now-developed metropolitan countries. . . . When we examine this metropolis-satellite structure, we find that each of the satellites . . . serves as an instrument to suck capital or economic surplus out of its own satellites and to channel part of this surplus to the world metropolis of which all are satellites.⁸

World-system analysis, advanced by sociologist Immanuel Wallerstein, deepened the concept of dependency by elevating the scope of the modern social system to a global scale. States became political units competing for—or surrendering—resources within a **world division of labor**. Here regional labor forces occupy a skill/technological hierarchy associated with state strength or weakness in the capitalist world-economy.⁹ From this perspective, the “core” concentrates capital-intensive or intellectual production and the “periphery” is associated with lower-skilled labor-intensive production, whether plantation labor or assembly of manufactured goods. As we shall see, this kind of geographical hierarchy is increasingly complicated by what journalist Thomas Friedman calls “flat world” processes (an example is India’s Information Technology boom).¹⁰

While “dependency” broadens the analysis of development processes to world-scale relationships, challenging the assumption that societies are aligned along a self-evident spectrum of growth stages, it implies a “development-centrism”—where (idealized western) development is the term of reference. In this regard Wallerstein has argued that given the power hierarchy of the world-system, (idealized western) “development” represents a “lode-star” or master concept of modern social theory.¹¹ As such, the privileging of “development” denied many other collective/social strategies of sustainability or improvement in other cultures. Nevertheless, while measuring all societies against a conception of (industrial) development may have seemed the appropriate goal for modernization and dependency theory at mid-century, from the vantage point of the *twenty-first century* it is quite problematic. The growing recognition that the planet cannot sustain the current urban-industrial trends in China and India is one dramatic expression of this new reality.

Agrarian Questions

Urbanization is a defining outcome of development and the “stages of growth” metaphor, where “tradition” yields to “modernity” as industrialization

deepens and nurtures it. Political scientist Samuel Huntington, writing about the process of modernization in *Political Order and Changing Societies* (1968), claimed, “Agriculture declines in importance compared to commercial, industrial, and other nonagricultural activities, and commercial agriculture replaces subsistence agriculture.”¹² While this sequence is clearly in evidence, the way in which it has played out raises questions about the model of separate national development (leaving aside the problem of artificial boundary drawing of “nations” in the colonial world). Rather than commercial agriculture replacing subsistence agriculture in country by country, millions of small producers have been unable to survive because of foreign impact—in the form of colonialism, foreign aid, and unequal market relations—expressing the global power relations identified by dependency and world-system analysts. How we perceive these changes is the ultimate question: Even as social changes occur within nations, does that mean the change is “internally” driven? Thus, if subsistence agriculture declines or disappears, is this because it does not belong on a society’s “development ladder”?¹³ Or is it because of a deepening exposure of smallholders to unequal world market competition by agribusiness—where agricultural productivity ratios across high- and low-input farming systems have risen from 10 to 1 before 1940 to 2000 to 1 in the twenty-first century?¹⁴

Rather than simply developing “internally,” Britain progressively outsourced its agriculture to the colonies, replacing subsistence agriculture there with plantations for commercial export. Such a global process played out in the North American continent as well, and partly accounts for the commercial dynamism of U.S. agriculture by the twentieth century (informing Rostow’s model). Therefore, modeling the rise of commercial agriculture as a question of *domestic* transformation is only partially valid. Nevertheless, the absence of peasantries in the First World is a key register for development theory. A logical extrapolation (if not historical analysis) would therefore define peasant cultures elsewhere as remnants of “Traditional Society.” As such, and according to this development model, peasant cultures are destined to disappear, whether because of urban gravitational pull, green revolution technologies, eviction by land grabs, or unequal competition from First World agribusiness exports.

Thus small farming cultures became development “baselines”—in theory, and in practice, given modern technology’s drive to replace labor and control production. Unrecognized is the superior capacity or potential in surviving agrarian cultures for managing and sustaining their ecosystems

than commercial agriculture, which overrides natural limits with chemicals and other technologies that deplete soil fertility, hydrological cycles, and biodiversity.¹⁵ The current “global land grab” depends on representing small-holdings across the global South as “underutilized” land that would be better employed by conversion to commercial agricultural estates producing foods and biofuels largely for export.¹⁶ Such activities raise the question as to whether and to what extent development—as modeled—is inevitable or intentional, and national or international?

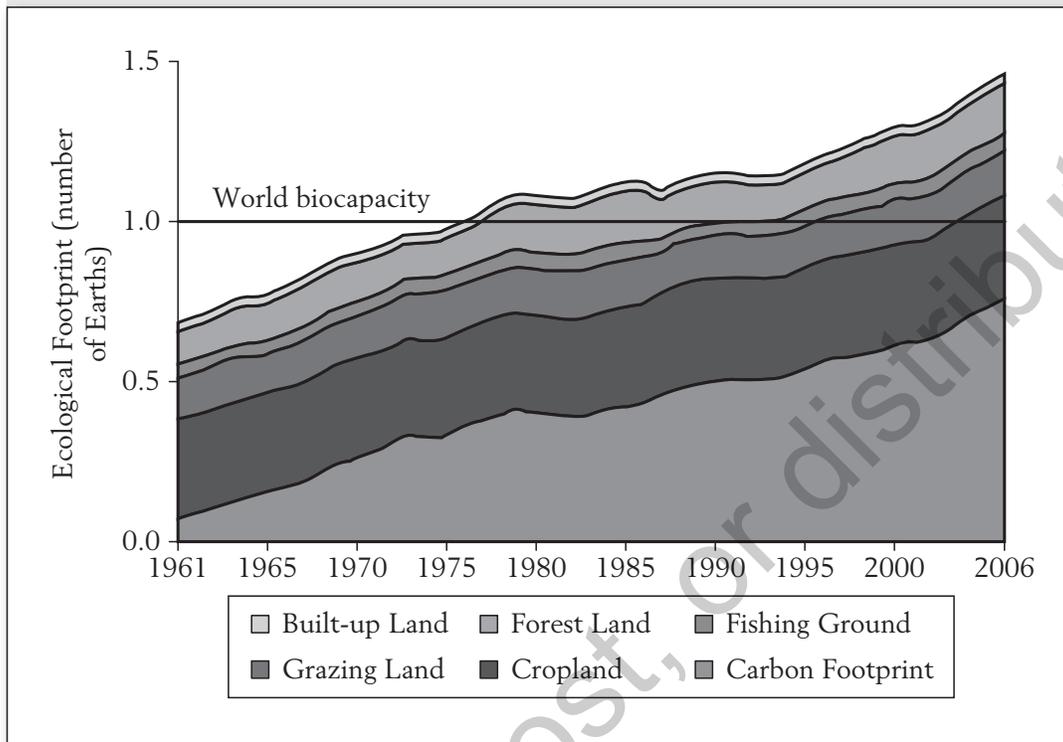
Ecological Questions

In addition, this particular example of agricultural land usage also underscores a significant *ecological blindspot* in development theory. Where the passage from subsistence to commercial agriculture is represented as improvement (of single-crop productivity), it is an insufficient measure if it does not take into account the “externals.” These are the significant social and environmental impacts such as disruption of agrarian cultures and ecosystems, the deepening of dependency on fossil fuel, and modern agriculture’s responsibility for up to a third of greenhouse gas emissions (GHG). It is this consequence that challenges the veracity of linear projections of development, and also the wisdom of replacing a long-standing knowledge-intensive culture/ecology (farming) with an industrialized economic sector (agriculture).

One key example of this ecological blindspot is its reproduction in the **Human Development Index (HDI)**, constructed by the United Nations Development Programme (UNDP). The HDI overcame the singular emphasis on economic growth as development, but carried forward the absence of the ecological dimension:

The concept of human development focuses on the ends rather than the means of development and progress. The real objective of development should be to create an enabling environment for people to enjoy long, healthy and creative lives. Though this may appear to be a simple truth, it is often overlooked as more immediate concerns are given precedence.¹⁷

While the HDI is known for its more robust measurement of (human) development, its data sources have lacked environmental content. This is particularly so given that humanity has now overshoot the earth’s biocapacity (see Figure 1.1). Focusing on the outcomes of development discounts how we live on the earth, that is, measuring what practices are sustainable or not. It was only in 2011 that the UNDP began to embrace an ecological

Figure 1.1 Humanity's Ecological Footprint

Source: Global Footprint Network 2010 National Footprint Accounts, see http://www.footprintnetwork.org/en/index.php/newsletter/bv/humanity_now_demanding_1.4_earthUS:official&channel=np&prmd=ivns&tbm=isch&tbo=u&source=univ&sa=X&ei=aPv_TYmjEOqy0AHx7LGvDg&ved=0CDMQsAQ&biw=1125&bih=821

sensibility. Thus the Human Development Report (2011) is “about the adverse repercussions of environment degradation for people, how the poor and disadvantaged are worst affected, and how greater equity needs to be part of the solution.”¹⁸

Given the UNDP’s reputation for questioning conventional wisdom, this new focus is a counterpoint to the *2005 Millennium Ecosystem Assessment*, which noted that the last half century of human action has had the most intensive and extensive negative impact on world ecosystems ever, and yet this has been accompanied by continuing global gains in human well-being.¹⁹ Known as the “**environmentalist’s paradox**” (since we might expect ecosystem degradation to negatively affect human well-being), researchers have noted that *average* measures of well-being may reduce the validity of this claim, but perhaps more significantly

“technology has decoupled well-being from nature” and time lags will only tell.²⁰ In other words, mastery of nature may be effective in the short-term in generating rising consumption patterns, but also in masking the long-term implications of ecosystem stress. What such research suggests is that development needs a robust sustainability dimension. It is in this context that this book ends with an account of an emerging Sustainability Project.

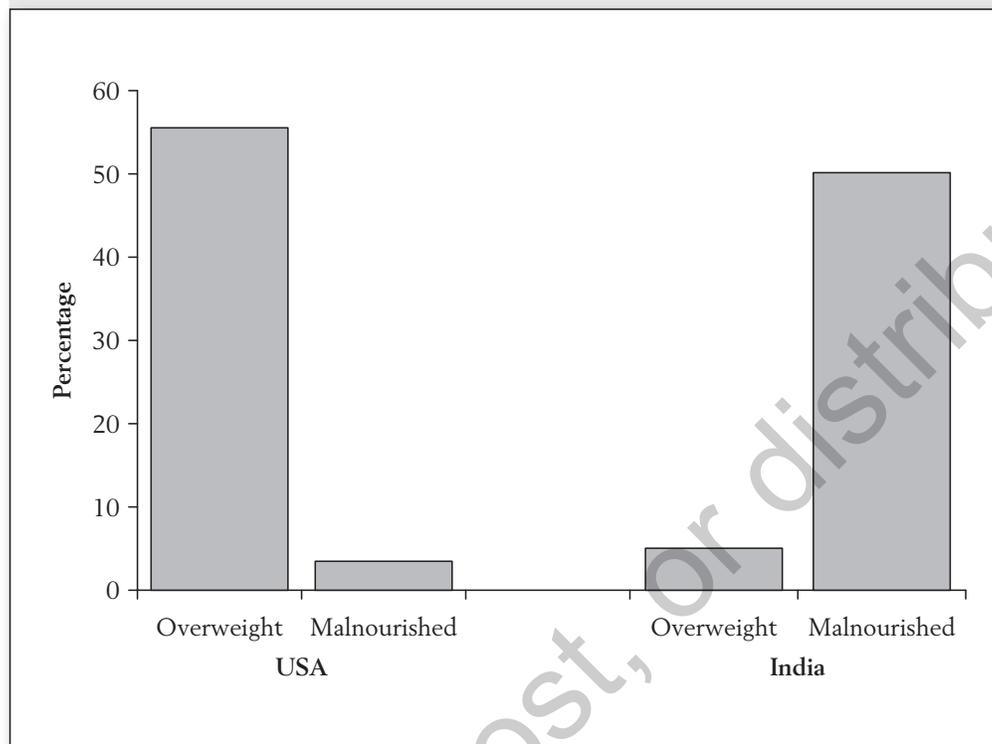
DEVELOPMENT PARADOXES

The environmentalist's paradox, when inverted, is—in fact—a “development paradox.” Former World Bank economist Herman Daly formulated this as an “impossibility theorem,” namely, that the universalization of U.S.-style high mass consumption economy would require several planet Earths. Either way, the ultimate paradox here is that the environment is not equipped to absorb its unrelenting exploitation by the current growth model of endless accumulation. In other words, development as we know it is undermining itself.

Three of the nine planetary operational boundaries have been crossed already—climate change, biodiversity, and the nitrogen cycle—while others such as fresh water use and oceanic acidification are at serious tipping points. Meanwhile, the costs of ecological degradation are borne disproportionately by the poor—the very same people targeted by the development industry. Two paradoxical formulations follow: (1) development expands opportunity/prosperity but is realized through inequality; and (2) development targets poverty but often magnifies it. Related to these formulations is the notion (advanced by the World Bank in 1992) that economic growth is a condition for sustainable development, which the UK Stern Review of 2006 termed a paradox: since the cost of climate change adaptation would be far greater if we wait for higher future levels of wealth to address the problem.

Some subsidiary paradoxes include such questions as these: Are low-carbon cultures that live with rather than seek to master nature backward? Are non-western cultures judged poor in what makes western cultures rich? Is frugality poverty? Why is malnutrition common to western and non-western cultures (see Figure 1.2)? Are non-western cultures rich in what western cultures are now poor (non-monetized items such as open space, leisure, solidarity, ecological knowledge)? Should we measure living standards only in monetary terms?

Sources: Foster (2011), Stern (2006), Daly (1990).

Figure 1.2 Percentage of Population That Is Malnourished and Overweight

Source: Adapted from *New Internationalist* 353 (2003): 20.

Social Change

As we have seen, development theory provides a blueprint, and justification, for universalizing a process originating within Europe—but as “greater Europe,” since European industrialization depended on displacing non-European industry and capturing non-European resources (minerals, raw materials, labor, and foodstuffs). Justification of this exploitation meant representing colonial intervention as a civilizing mission to those opposing colonialism on moral grounds. Of course colonial subjects resisted—for example, the successful late-eighteenth-century slave uprising in the French colony of Saint Domingue (forming the Haitian free state), but also the unsuccessful Amritsar rebellion put down savagely by British forces in India

in 1919. Such uprisings marked a long-term politics of decolonization, with colonial subjects gaining moral and material power as **countermovements** to European empires, which in turn became increasingly costly to maintain. Resistance to colonialism—including substantial peasant mobilizations from China to Mexico to Kenya—was matched with labor uprisings and political organization during the late-colonial era. The British faced widespread labor strikes in their West Indian and African colonies in the 1930s, and this pattern continued over the next two decades in Africa as British and French colonial subjects protested conditions in cities, ports, mines, and on the railways.²¹

In other words, large-scale social changes accompanying industrial development involve definitive power struggles. Colonial rule generated a politics of decolonization, including class conflict, identity/cultural claims, and the desire for equality and sovereignty. The **colonial project** was certainly anchored in class relations as empires subordinated colonial labor forces and resources to service imperial needs. But this economic relation was accompanied by fundamental racial politics that both justified subjugation and fueled resistances across the colonial world. Added to the mix was the human rights dimension, whereby the desire for equality and sovereignty driving European social changes resonated in anti-colonial movements. While all three dimensions inform social struggles today, including gender and indigenous rights, they are all conditioned by the global development project that emerged in the mid-twentieth-century postcolonial era. Here, decolonization led to a universal realization of sovereignty in the (European-based) form of the nation-state, and expressed in the establishment of the United Nations organization in 1945.

The divided racial legacy of colonialism certainly did not disappear, but a very diverse world was bound together now by a universal principle: an international governmental structure enshrining the meaning and measurement of development as a *national standard*. This was institutionalized in the UN System of National Accounts by which monetized economic activity was recorded as Gross National Product (GNP). Outside of the Communist bloc (also known as the **Second World**), as national economic growth and income levels became the measure of development, so First- and Third-World societies came to be governed by the market (and its metrics), with varying degrees of public regulation.

The “market society” was the product of modern capitalism and its drive to commodify social relations, expressed in monetary exchanges. As Karl Marx pointed out, even human labor power came to be commodified via the wage contract, as villagers lost their means of livelihood and were

forced to work for wages.²² Karl Polanyi extended this observation to land and currency, noting that with the rise of nineteenth-century market society each of these substances came to be traded for a price. He argued that neither labor, land, nor money were *produced for sale*, and so were really “fictitious commodities.” For this reason, when these substances are treated as commodities, workers, farmers, and businesses are exposed to exploitative or uncertain conditions. That is, their labor, farming, or entrepreneurship experience competitive relations beyond their control, by a market with seemingly independent authority. Under these circumstances, Polanyi proposed that social movements would inevitably arise to protect society from unregulated markets (a “double movement”)—in effect, to re-embed markets within social controls. For Polanyi, the proof of this pudding was establishment of the twentieth-century welfare state, which became a model for the development state. It arose out of a European-wide social mobilization to protect the rights of workers, farmers, and businesses from the ill effects of unrestrained markets.²³

The Projects as Framework

Within the terms of this broad social change theory, then, the post-colonial world order emerged from the combined force of decolonization politics and the new model of publicly regulated capitalist markets (as distinct from the communist model of a state-planned economy). Development as an ideal and as a policy carried forward the social welfare dimension, reinforced by the UN Declaration of Universal Human Rights (1948), through which governments were enjoined to protect civil rights through a **social contract** between state and citizen. This contract defined the era of the **development project** (1940s–1980), rooted in public regulation of markets as servants of states. The following era of the **globalization project** (1980s–through the present) saw markets regain ascendancy—with states as servants—and the incorporation of the “good market, bad state” mantra into public discourse. The tension between these poles continues in the emerging **sustainability project** (2000s onward) as the world transitions to a new project governed by a “climate regime.”

This book frames the story of development around these three projects, as a clarifying method to underline the point that the meaning and practice of development changes with changing political-economic (and environmental) conditions. The transition from the development to the globalization project involved a political countermovement “from above” by powerful business and financial interests and their allies to reduce or eliminate public regulation of

corporations and their ability to operate across national borders. Deregulation of markets has been the ultimate goal, legitimized by neo-liberal economic theory. And subsequent controversies over the impact of globalization at the turn of the twenty-first century have been generated by social mobilization “from below,” driven by economic destabilization and intensification of social inequalities as markets have been disembedded from social controls.²⁴

The **development paradox**, where poverty accompanies economic growth, is evident in the control of 50 percent of the world’s income by the wealthiest 10 percent of the world’s population, as well as in the deepening food crisis rendering over a billion people chronically hungry.²⁵ In India—with annual economic growth rates around 8 percent and projections of overtaking China’s by 2013—almost half of its children under the age of five were malnourished in 2010. The paradox can be qualified by public action—when in 2009, child malnutrition was 42.5 percent in India, it was just 7 percent in China.²⁶

The current market malaise and combination of crises—food, energy, climate, social—suggests the world is in transition toward another project, which I term the Sustainability Project. The dynamic that links these projects, and accounts for their succession, can be thought of as a series of Polanyian “double movements” (politicization of market rule via social mobilization). The colonial project accompanying the rise of capitalist markets yielded to the development project as social and decolonization counter-movements challenged the ascendancy of the market in their respective territories. Then the development project yielded to a globalization project intent on restoring market sway and reducing the power of states and citizens to the status of servants and consumers respectively.

Currently, the crisis of the globalization project (addressed in Chapter 8) is stimulating a wide range of sustainability initiatives, from the global to the local scale, that are geared to containing or reducing environmental degradation and climate warming. How these may coalesce into some kind of world ordering is not yet clear. Whether we will see or make a more authoritarian world order built on energy and climate security claims, or some decentralized ecologically-based social organization, are some of the possibilities that are informing debate (see Chapter 9). In the meantime, it is important to situate our condition via some “development coordinates.”

The Development Experience

Development is not an activity that other societies do to catch up to the “developed societies.” That nomenclature is unfortunate, since it suggests

there is a state of development enjoyed by a minority of the world's population that is the goal and envy of the rest of the world. It forgets that development is an endless process, not an end. Indeed, some argue that the West is busy "undeveloping" as jobs relocate to growth areas like China and India, as public infrastructure decays, and social services such as education and health care dwindle. From this perspective, development—at the national level—does not look like a linear process, nor is it a model outcome.

From a global perspective, development redistributes jobs to lower-wage regions. While transnational firms thereby enhance profitability, Northern consumers (at least those with incomes) enjoy access to low-cost products that are produced offshore. In this sense, development has been identified—for its beneficiaries—as consumption. This of course corresponds with Rostow's final growth stage, but not as a national characteristic—rather as a global relationship. Much of what we consume today has global origins. Even when a product has a domestic "Made in . . ." label, its journey to market probably combines components and labor from production and assembly sites located around the world. Sneakers, or parts thereof, might be produced in China or Indonesia, blue jeans assembled in the Philippines, a cell phone or portable media player put together in Singapore, and a watch made in Hong Kong. The British savor organic vegetables from western China, the Chinese eat pork fed with Brazilian soy, and North Americans consume fast foods that may include chicken diced in Mexico or hamburger beef from cattle raised in Costa Rica. And, depending on taste, our coffee is from Southeast Asia, the Americas, or Africa. We readers may not be global citizens yet, but we are certainly global consumers.

But global consumers are still a minority. While over three-quarters of the world's population can access television images of the global consumer, only half of that audience has access to sufficient cash or credit to consume. Television commercials depict people everywhere consuming global commodities, but this is just an image. We know that 20 percent of the world's population consume 86 percent of all goods and services, while the poorest 20 percent consume just 1.3 percent.²⁷ Distribution of, and access to, the world's material wealth is extraordinarily uneven. Almost half of the ex-colonial world dwells now in slums. Over 3 billion people cannot, or do not, consume in the Western style. Uruguayan writer Eduardo Galeano observes,

Advertising enjoins everyone to consume, while the economy prohibits the vast majority of humanity from doing so. . . . This world, which puts on a banquet for all, then slams the door in the noses of so many, is simultaneously equalizing and unequal: equalizing in the ideas and habits it imposes and unequal in the opportunities it offers.²⁸

And yet it is important also to note that while we may be accustomed to a commercial culture, and view it as the development “standard,” other cultures and peoples are noncommercial, not comfortable with commercial definition, or are simply marginal to commercial life. Contrary to media images, global consumerism is neither accessible to—nor possible for—a majority of humans, nor is it a universal aspiration.

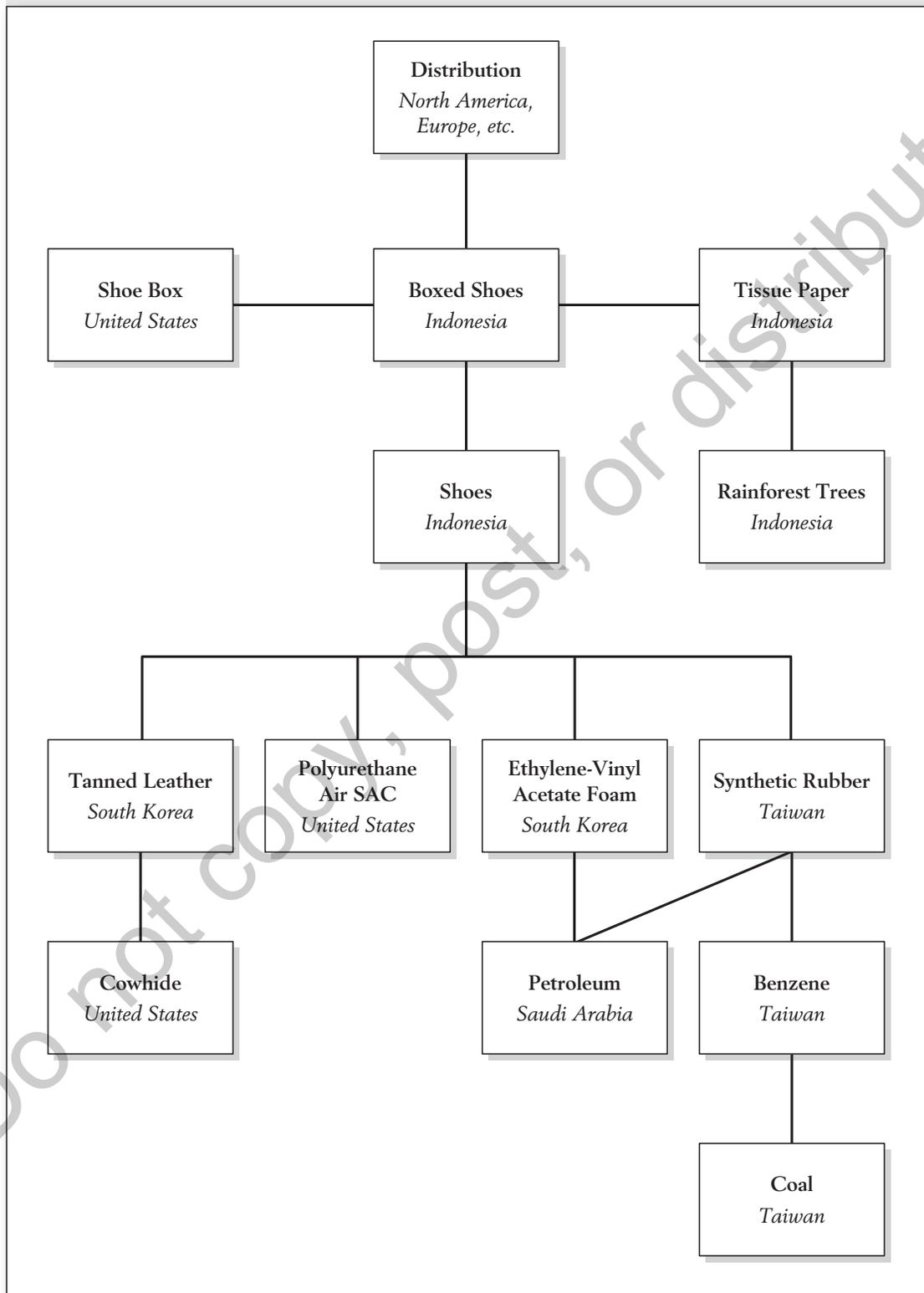
Nevertheless, the global marketplace binds consumers, producers, and even those marginalized by resource consumption. Consumers everywhere are surrounded, and often identified by, world products. One of the most ubiquitous, and yet invisible, world products is coltan, a metallic ore used in consumer electronics, such as computers and cell phones, in addition to nuclear reactors. It comes predominantly from the Congo, where militarized conflict over this valuable resource caused nearly 4 million deaths, and mining has negative environmental consequences for forests and wildlife. Such ethical issues, similar to those associated with “blood diamonds,” have driven some electronics corporations to mine coltan elsewhere in Africa.²⁹

The global marketplace is a matrix of networks of commodity exchanges. In any one network, there is a sequence of production stages, located in a number of countries at sites that provide inputs of labor and materials contributing to the fabrication of a final product (see Figure 1.3). These networks are called **commodity chains**. The chain metaphor illuminates the interconnections among producing communities dispersed across the world. And it allows us to understand that, when we consume a product, we often participate in a global process that links us to a variety of places, people, and resources. While we may experience consumption individually, it is a fundamentally social—and environmental—act.

Commodity chains enable firms to switch production sites for flexible management of their operations (and costs). Any shopper at The Gap, for example, knows that this clothing retailer competes by changing its styles on a short-term cycle. Such flexibility requires access through subcontractors to labor forces, increasingly feminized, which can be intensified or let go as orders and fashion changes. Workers for these subcontractors often have little security—or rights—as they are one of the small links in this global commodity chain stretching across an unregulated global workplace.

The world was shocked in 2010 when 18 Chinese migrant workers between 17 and 25 years old attempted suicide at Foxconn factories in three Chinese provinces. Foxconn recorded profits that year in excess of some of its corporate customers, such as Microsoft, Dell, and Nokia. Foxconn—responsible for producing iPhone 4, the iPod, and iPad 2—captures 50 percent of the world electronics market share in manufacturing and service.³⁰

Figure 1.3 A Commodity Chain for Athletic Shoes



Source: Adapted from Bill Ryan and Alan During, "The Story of a Shoe," *World Watch*, March/April 1998.

CASE STUDY**Waste and the Commodity Chain**

The disconnect between development theory and the environment is dramatized by the problem of waste, concealed in plain sight. The fact that consumption simultaneously produces waste is neither something consumers want to acknowledge, nor does it feature in measures of economic growth. And yet waste in general, and electronic waste (e-waste) in particular, are huge and problematic by-products of our lifestyle. The household electronics sector is now the fastest growing segment of municipal waste streams, as computing and communication technologies rapidly evolve. The UN estimates the annual global generation of waste from electrical and electronic equipment (WEEE) runs at a rate of between 20–50 million tons. In 2009, the UN Environment Programme (UNEP) reported that e-waste could increase by 500 percent over the next decade in rising middle-income countries. The toxicity of this waste is extraordinary: From 1994–2003, for example, disposal of personal computers released 718,000 tons of lead, 287 tons of mercury, and 1,363 tons of cadmium into landfills worldwide.

Cellular, or mobile, phones (1.2 billion sold globally in 2007) leach more than 17 times the U.S. federal threshold for hazardous waste. And yet the noxious ingredients (including silver, copper, platinum, and gold) are valued on second-hand markets, just as discarded e-waste may be recycled for reuse in poorer markets—sometimes by businesses such as Collective Good, which donate a portion of the profits to the Red Cross or the Humane Society. Refurbishing phones occurs from Ghana to India, where labor costs are lower and environmental regulations are less. About 70 percent of the world's discarded e-waste finds its way through informal networks to China, where it is scavenged for usable parts—often by children with no protection—and abandoned to pollute soil and groundwater with toxic metals. Africa is one of the largest markets for discarded phones, while China sells between 200–300 million phones annually to dealers in India, Mongolia, Vietnam, and Thailand, from where they may pass on to buyers in Laos, Cambodia, Bangladesh, and Myanmar. Just as water seeks its own level, unregulated markets enable toxic waste to leach into the global South. While there are regulations regarding hazardous waste, the 170-nation agreement called the Basel Convention is ambiguous on the question of restricting the movement of e-waste from North to South.

Why is the current fixation on the virtual, or “de-materialized” information economy unable to recognize the dependence on offshore manufacturing and disposal of waste—both of which pose social and environmental hazards?

Sources: Schwarzer et al. (2005); Widmer et al. (2005); Mooallem (2008); Leslie (2008); Salehabadi (2011).

Not everything we consume has such global origins, but the trend toward these worldwide supply networks is powerful. Our food, clothing, and shelter, in addition to other consumer comforts, have increasingly long supply chains. Take food, for example. Britain was the first nation to deliberately “outsource” a significant part of its food supply to its empire in the 1840s. In spite of the fact that the British climate is ideal for fruit production, 80 percent of pears and almost 70 percent of apples consumed by Britons now come from Chile, Australia, the United States, South Africa, and throughout the European Union.³¹ The Dutch concept of “ghost acres” refers to additional land offshore used to supply a national diet. Britons are estimated to use about 4.1 million hectares of ghost acres to grow mainly animal feed.³² Ghost acres include “food miles,” prompting the remark, “This form of global sourcing . . . is not only energy-inefficient, but it is also doubtful whether it improves global ‘equity,’ and helps local farmers to meet the goals of sustainable development.”³³ In other words, much commercial agriculture today is dedicated to supplying the global consumer rather than improving production for domestic consumers. It is extraverted, rather than introverted as in the Rostow schema. Thus,

Half of all [Guatemala’s] children under five are malnourished—one of the highest rates of malnutrition in the world. Yet the country has food in abundance. It is the fifth largest exporter of sugar, coffee, and bananas. Its rural areas are witnessing a palm oil rush as international traders seek to cash in on demand for biofuels created by U.S. and EU mandates and subsidies. But despite being a leading agro-exporter, half of Guatemala’s 14 million people live in extreme poverty, on less than \$2 a day.³⁴

Globalization deepens the paradox of development by virtue of its sheer scale. Integrating the lives of consumers and producers across the world does not necessarily mean universalizing the benefits of development. The distance between consumers, and producers and their environments, means it is virtually impossible for consumers to recognize the impact of their consumption on people and environments elsewhere. At the other end, producers experience the social distance in the difficulty in voicing concerns about working conditions or the health of their habitats. Bridging this distance has become the focus of initiatives such as **fair trade**, or brand boycotts organized by activist movements or **nongovernmental organizations** (NGOs), to enhance transparency with information to support more responsible consumption.

CASE STUDY**Consuming the Amazon**

In a recent report, *Eating Up the Amazon*, Greenpeace noted that “Europe buys half the soya exported from the Amazon state of Matto Grosso, where 90% of rainforest soya is grown. Meat reared on rainforest soya finds its way on to supermarket shelves and fast food counters across Europe.” As the Greenpeace website claimed, “nuggets of Amazon forest were being served up on a platter at McDonald’s restaurants throughout Europe.” Following this dramatic report, McDonald’s slapped a moratorium on purchasing soya grown in newly deforested regions of the rainforest, and entered into an alliance with Greenpeace, and other food retailers, to develop a zero deforestation plan, involving the government in monitoring the integrity of the forest and of its inhabitants, some of whom had been enslaved and subjected to violence. The global soy traders, Cargill, ADM, Bunge, Dreyfus, and Maggi, made a two-year commitment to the alliance.

What is all this about? Quite simply, like many nongovernmental organizations (NGOs) today, Greenpeace made the lifestyle connection and ecological relation embodied in chicken nuggets explicit. Documenting the ways in which the Brazilian soy boom—with all its social and environmental consequences—is a product of the fast food diet, Greenpeace made visible what is routinely invisibilized by an impersonal marketplace. By tracing the soy chain—with the aid of satellite images, aerial surveillance, classified government documents, and on-ground observation—Greenpeace reconstructed the geography of the soy trade, bringing the ethical dimensions of their diet to consumers’ notice. While traders can escape the notice of the consuming public, retailers have become “brand sensitive” in an era in which information technology has created a new public space, and consumers have the ability to choose not to consume products that come with baggage.

What is the value of fast food compared with the value of preserving one of the richest and most biologically diverse rainforests on the planet—especially given that the scientific journal *Nature* recently warned that 40 percent of the Amazon rainforest will disappear by 2050 if current trends continue?

Source: Greenpeace, *Eating Up the Amazon*, 2006. Available at www.greenpeace.org.

With only 6 percent of the world adult population, North America holds 34 percent of household wealth (in monetary terms). Europe and high-income Asia-Pacific countries also have disproportionate wealth, whereas

the overall share of wealth of Africans, Chinese, Indians, and other lower-income countries in Asia is substantially less than their population share, sometimes by a factor of more than ten.³⁵ Standardizing development measures reinforces the belief that there is a high correlation between GNP and social well-being. Clive Hamilton, executive director of the Australian Institute think tank, notes, “The evidence shows that, beyond a certain point, increased income does not result in increased well-being.”³⁶

CONCLUSION

Development, conventionally associated with economic growth, is a recent phenomenon. With the rise of European capitalism, state bureaucrats pursued economic growth to finance their needs for military protection and political legitimacy. But “development,” as such, was not yet a worldwide strategy. It became so only in the mid-twentieth century, as newly independent states embraced development as an antidote to colonialism, with varying success.

The mid-twentieth-century **development project** (1940s–1970s) was an internationally orchestrated program of *nationally-sited* economic growth across the Cold War divide, involving superpower-provided financial, technological, and military assistance. Development was a United Nations ideal, as formerly colonized subjects gained political independence, and governments implemented a human rights–based social contract with their citizens. This book traces the implementation of this project, noting its partial successes and ultimate failure, in its own terms, to equalize conditions across the world, and the foreshadowing of its successor, the globalization project, in laying the foundations of a global market that progressively overshadowed the states charged with development in the initial post–World War II era.

The **globalization project** (1970s–2000s) superimposed open markets across national boundaries, liberalizing trade and investment rules, and privatizing public goods and services. Corporate rights gained priority over the social contract and redefined development as a private undertaking. The neoliberal doctrine (“market freedoms”) underlying the globalization project has been met with growing contention, symbolized by the anti-neoliberal social revolt in Latin America over the last decade and the recent Middle-East rebellions, and the growing weight and assertiveness of China (and India) in the world political economy. Polanyi’s double movement is alive and well.

Whether the global market will remain dominant is still to be determined. In the meantime an incipient **sustainability project**, heavily influenced by the climate change emergency, is forming, with China leading the green technology race and a myriad of environmental and justice movements across the world pushing states, business leaders, and citizens toward a new formulation of development as “managing the future” sustainably.

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